

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6898**

**BILL NUMBER: SB 279**

**DATE PREPARED:** Feb 24, 1999

**BILL AMENDED:** Feb 22, 1999

**SUBJECT:** Prohibition against damages for uninsured drivers.

**FISCAL ANALYST:** Susan Preble

**PHONE NUMBER:** 232-9867

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires the operator of a motor vehicle to provide proof of financial responsibility upon the demand of a police officer. It prohibits the following individuals from recovering certain damages: (1) An individual who is operating a motor vehicle for which financial responsibility is not in effect at the time of an accident that is the cause of the individual's injuries. (2) An individual who is the owner of a motor vehicle for which financial responsibility is not in effect at the time of an accident that is the cause of the individual's injuries. It limits the amount of pecuniary damages that can be awarded at 150% of the medical expenses and loss of wages suffered as a result of an accident in which the operator of a motor vehicle is uninsured.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** If the state or a local governmental entity is a defendant in a suit in which the plaintiff meets either of the criteria above, this bill could reduce state and local costs due to the prohibition on the collection of certain types of damages sought by a plaintiff.

The Office of the Attorney General reports the amount of damages paid as a result of tort claims submitted and tort claim lawsuits filed against the State and by plaintiffs in tort and civil rights litigation between CY 1992 and CY 1997 as follows:

<u>CY</u>	<u>Damages Paid</u>
1997	\$3,438,230
1996	\$5,742,977
1995	\$6,362,071
1994	\$8,060,838
1993	\$4,048,126
1992	\$3,456,495

The amount paid includes tort claims paid at the time of claim submission, settlements upon the filing of lawsuits, and as a result of a court order. It also includes cases in both federal and state court.

**Explanation of State Revenues:** (Revised) Passage of this bill will primarily affect tort claim actions between private parties. The filing fee for civil actions is \$100. Of this fee, 70% or \$70 is deposited in the State General Fund if the case is filed in a trial court. If civil case is filed in a city or town court, the State General Fund receives 55% of the \$100 filing fee.

In addition, this bill provides that a driver who does not show proof of financial responsibility upon demand by a law enforcement officer commits a Class C infraction. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) This bill will primarily affect tort claim actions between private parties. However, if the state or a local governmental entity is a defendant in a suit outlined above, this bill could reduce state and local costs due to the prohibition on the collection of certain types of damages sought by a plaintiff.

If a case is filed in a trial court, the county general fund receives \$27 or 27%. The other \$3, or 3%, is deposited in the general fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the county. If the case is filed in a city or town court, the county general fund receives 20% while the city or town general fund receives \$25.

In addition, this bill provides that a driver who does not show proof of financial responsibility upon demand by a law enforcement officer commits a Class C infraction. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Local trial courts. Trial courts, local law enforcement agencies.

**Information Sources:** IC 33-19-7(concerning civil filing fees and their distribution); Barbara Crawford, Office of the Attorney General, (317) 232-6217.